



# HOUSE BUDGET COMMITTEE

## Democratic Caucus

The Honorable John M. Spratt Jr. # Ranking Democratic Member

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## Republican Budget Failures

- ! ***Historic Failure to Pass Budget Resolution Conference Report*** — For the first time in history, Republicans cannot approve a budget resolution when in control of both houses of Congress and the White House.
- ! ***Budget Situation Continues to Deteriorate*** — The Republican majority has failed to agree upon — or even put forward — a plan to reduce the deficit or balance the budget. Meanwhile, this year's budget deficit is expected to set yet another record. Since January 2001, a \$5.6 trillion projected surplus has become a \$2.9 trillion projected deficit — an \$8.5 trillion swing in the wrong direction.
- ! ***Budget Resolution Approved By House Rejects Meaningful Pay-As-You-Go (PAYGO) Budget Enforcement Rules*** — The budget conference report has failed to win the support of a majority of Senators because it does not include the balanced and effective Senate PAYGO rule included in the Senate-passed budget resolution. Instead, the conference report limits the PAYGO rule to only a single year and further provides an exemption for \$27.5 billion of tax cuts covered under reconciliation.
- ! ***Historic Failure to Provide Multi-Year Budget*** — For the first time in more than twenty years, the budget conference report fails to specify multi-year policy numbers. In setting only a single year of budget policy, the conference report even falls short of this year's House-passed budget, which provided only five years of budget policy.
- ! ***Budget Process Legislation Put the Cart Before the Horse*** — While the House and Senate have failed to agree on a budget resolution conference report, the House Republican leadership nevertheless brought budget enforcement legislation to the House floor last month. The major Republican proposals included one-sided Pay-As-You-Go (PAYGO) rules that likely would worsen the deficit rather than improve it. In the end, the Republican majority was unable to pass any of the major proposals offered by its Members. As a result, there are currently no meaningful budget enforcement rules in place.

! ***Facing Record Deficit, Administration Delays Release of Mid-Session Review of Budget*** — The Administration failed to release the *Mid-Session Review* of the federal budget by July 15, as the law requires. The *Mid-Session Review* is expected to contain another record deficit for 2004, even though the Administration will likely attempt to characterize that record deficit as representing “improvement.” Deficit figures included in the *Mid-Session Review* also will likely omit the cost of a number of items with large price tags, meaning that deficits are likely to be even larger than the *Mid-Session Review* will indicate.